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MUNICIPAL OWNERSHIP AND OPERATION OF WATER WORKS

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The rapid growth both in the number of water-works and in the percentage of those works under municipal ownership was one of the marvels of the nineteenth century. The century opened with sixteen works in the United States, only one of which was municipally owned. It closed with perhaps 3,500 works, more than half of which were under public ownership and 200 of which had changed from private to municipal ownership. No statistics of ownership for the whole United States have appeared since *The Manual of American Water Works* for 1897, but it is known that changes from private to public ownership have gone on at a rapid pace in the last seventeen years and it is believed that of the hundreds of new works built in that period the greater part are now owned by the city which they supply.

All of the major cities of the United States own their water-works until San Francisco is reached. Going over the whole list of cities which the census bureau estimates as having a population of 30,000 and upwards it appears that in round numbers there are 150 municipal to 50 private plants, or 3 public to 1 private. If total populations supplied were considered, the preponderance of municipal ownership would be still greater.

Competing water companies have been few. Competing municipal and private works have been fewer still and such competition ends, sooner or later, with the city in full possession of the field. The reason for this lack of competition is that the water-supply service is one of the most complete natural monopolies in existence.

This natural monopoly feature and the close and vital relationship of public water-supplies to the health of water consumers and to the safety of both life and property from fire, go far toward explaining the rapid growth of municipal ownership of water-works and the persistent demand for a change from private to public ownership where the former prevails. It does not follow, however,

that every city still under private ownership is in duty bound to acquire works of its own without delay. A variety of local conditions may determine the wisdom of continued private ownership for a few or even for many years. Good service under private ownership is increasingly possible each year, because the newer water-works franchises and contracts are more definite and fairer to each side than the older ones and because of the growing prevalence of state utility regulation. Nevertheless, no matter how far in the future matters of local expediency may throw municipal ownership it may well be the ultimate goal of every city, town and village that has not yet attained it.

Notwithstanding all that has been said and so well said in favor of home rule I still believe, as I have long believed, that municipal as well as private water-works should be subject to state regulation. Even if in no other respect there must be state regulation of the purity of the supply. This principle was recognized and put into effect in a number of states before state regulation of utility rates was thought of. Until recently state regulation of the sanitary quality of water-supplies was always vested in state boards of health and with one or two partial exceptions this is still true.

The case for state control of the purity of water-supplies rests upon the fact that public health is a matter of state and national concern and cannot safely be left to local control. A city with a polluted water-supply does not stop with causing a high local typhoid rate—though this, in itself, is a proper matter for state interference. Such a city contributes in numberless ways to the spread of typhoid throughout the whole state and over the whole country.

Besides the question of purity, state control of water-supplies, regardless of ownership, is demanded to settle rival claims for sources of supply which two or a half dozen cities may wish to draw upon. This matter is now being controlled by state boards of health in some states and by state water or state conservation commissions in others, but not often, if at all, by state utility commissions.

If time permitted I should like to present in detail the argument for state control of water-works accounts and reports of physical data. Where such control is now exercised it is vested sometimes in a state board or commissioner or auditor of municipal accounts and sometimes in a state utility commission.

Coming to another phase of the subject, I believe that it would

be salutary if there were some measure of state control over the way in which a city raises its money to defray the cost of its utility service. In the case of water-works, in particular, rank injustice now prevails in the distribution of the cost of the service between the private consumer and the city at large. I believe the Wisconsin commission has taken a long step in the right direction in compelling some cities to raise by taxation an adequate sum to pay for fire protection and other public services instead of saddling this charge upon the private consumer. The whole water-works fraternity of the country has for years urged that the taxpayer and not the private water consumer should meet the cost of fire protection, street watering, sewer flushing and the water-supply to public buildings.

Possibly some of you may have observed that such instances of state regulation of water-works as I have specified are vested in four independent commissions: (1) health; (2) water-supply or conservation; (3) utility; (4) accounting or auditing—and there may be still others. Some of these commissions have overlapping jurisdictions. Strongly as I believe in state administrative control of municipal affairs I do not wonder that there are complaints of over-regulation when there are so many municipal masters—although even a multiplicity of state administrative boards is infinitely better than the old-time state legislative interference which these boards are lessening.

Distasteful as any sort of state control may seem to some, cannot we all agree upon the desirability of placing all such control as may from time to time exist under one instead of many commissions—a single state board of municipal control, under which there would be a bureau for each branch of the municipal service subject to state supervision, the whole working in harmony and so centralized in administration as to give one instead of many municipal masters?